

Supplemental Nutrition Assistance Program (SNAP) Formerly known as Food Stamps

State Fiscal Year 2014

Federal Background

- Snap is a 100% federally funded entitlement program administered by the states.
- SNAP benefits are issued monthly. Eligible households purchase food with an Electronic Benefit Transfer (EBT) Account. SNAP benefits cannot purchase alcoholic beverages, cigarettes, ready to eat hot foods, pet food or household products e.g. soap, toilet paper, etc.
- SNAP offers nutrition assistance to millions nationally of eligible, low-income individuals and families and provides economic benefits to communities. Since 1974, every state issues SNAP benefits. The 1977 Food Stamp Act established national eligibility standards.
- The Federal and State governments jointly administer SNAP. Montana certifies applicants and issues SNAP benefits.

(Continued...)

Montana 2014 SNAP Information

Approximately 125,000 Montanans received SNAP benefits in 2014, down from 129,000 participants in 2013. On an average, they are:

- 12% of Montana's population;
- 59,000 children;
- 66,000 adults; and
- 58,000 households.

Effective, January 2015, all Able Bodied Adults without Dependents are limited to receiving only three months of SNAP benefits in a three year span (Jan 2015-Dec 2017) unless they are employed a minimum of 20 hours per week or meet an exemption, e.g. pregnancy, verified disability, age limitations.

46% of Montana SNAP participants live in households with earned income but their incomes are insufficient to provide for their families without SNAP benefits. In 2014, the average household received \$245 in monthly SNAP benefits.

When determining a household's SNAP eligibility and benefit amount, the household must pass two separate income tests:

- Gross monthly income (GMI) cannot exceed 200% of the federal poverty level (FPL), and

(Continued...)

Federal Background (Cont.)

- More than 60% of U.S. SNAP participants are children, elderly, or disabled individuals.¹
- Many SNAP participants are employed. In 2013, approximately 31% of all U.S. SNAP households had earned income and nearly 43% of all SNAP participants lived in those households.²

Household size and income (after allowable deductions), determine the amount of SNAP benefits a household receives.

¹ United States Department of Agriculture, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2013 (Summary)*, Dec 2014

² USDA, *Characteristics (Summary)*

³ USDA, *Dynamics and Determinants of Supplemental Nutrition Assistance Program Participation from 2008-2012-Summary*, Dec 2014

Montana 2014 SNAP Information (Cont.)

- After allowable deductions (rent, utilities, childcare), net monthly income (NMI) cannot exceed 100% of FPL.
- For example, Jane is the mom of three teenage boys. She earns \$2,250/mo. as a certified nurse assistant. Jane's income passes both income tests and her family's monthly SNAP benefit is \$227.

Montana residents eligible to receive SNAP benefits:

- Must be U.S. citizens or legal aliens
- Must provide a Social Security Number
- Must pass all income tests
- Must report changes
- Fulfill all program requirements
- Cooperate with Program Compliance Reviews

Temporary Assistance for Needy Families TANF/Cash Assistance

State Fiscal Year 2014

Federal Background

- Congress created the Temporary Assistance for Needy Families (TANF) block grant through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as part of a federal effort to "end welfare as we know it." TANF replaced Aid to Families with Dependent Children (AFDC) which provided cash welfare to poor families with children since 1935. ¹
- Under TANF, the federal government provides a block grant to the states, which uses these funds to operate their own programs.² TANF's goal is to help needy families achieve self-sufficiency. States provide time-limited cash assistance associated with monthly work requirements for most recipients.

(Continued...)

Montana 2014 TANF/Cash Assistance

- Approximately 3,000 Montana households received TANF benefits in 2014, including more than 5,000 children. The slightly more than 7,600 Montanans on TANF are:
 - 50% single parent households,
 - 6% two-parent households, and
 - 44% child only or 'caretaker relative' cases.
- An eligible and related child must live in the household in order to receive TANF cash assistance. Household size and income (after allowable deductions), determine the amount of the monthly TANF benefit. There is a \$3,000 resource/asset limit.
- Most TANF cash households have zero income at application. A household of three with zero income receives the maximum cash benefit of \$510/month. The income limit is 30% of the 2011 Federal Poverty Level (FPL).
- TANF benefits are issued monthly. Most eligible households receive their monthly benefit on an Electronic Benefit Transfer (EBT) Account. TANF EBT transactions are not allowed at liquor stores, casinos/gambling establishments, or an adult oriented retail establishment.

(Continued...)

Federal Background (Cont.)

- TANF families are limited to a maximum of five years (60 months) of benefits in their lifetime unless they qualify for a time limit extension.
- States design and operate programs that accomplish one of the four purposes of the TANF program.
 1. Provide assistance to needy families so children can be cared for in their own homes.
 2. Reduce the dependency of needy parents by promoting job preparation, work and marriage.
 3. Prevent and reduce the incidence of out-of-wedlock pregnancies.
 4. Encourage the formation and maintenance of two-parent families.
- TANF's financial assistance helps pay for food, shelter, utilities, clothing, and other expenses.
- Recipients participate in employment or training activities each month to remain eligible for the monthly cash grant.

¹Liz Schott, "Policy Basics: An Introduction to TANF", (Center on Budget and Policy Priorities: 2012), 1-4.

²Schott, "Policy Basics: An Introduction to TANF", 2.

Montana 2014 TANF/Cash Assistance

(Cont.)

- Montana encourages TANF recipients to gain steady employment and transition from TANF to self-sufficiency. A substantial part of a TANF recipient's wages are disregarded (first \$200 and 25% of remaining earnings), along with deductions for childcare costs, and child support payments made to non-household members. Those costs are not counted in the eligibility determination to assist the household in a stable transition to employment while the TANF grant reduces and ultimately terminates, due to the new and steady income.
- The Post Employment Program is a transitional program for families moving off TANF dependency due to new or increased earned income. Households may be eligible for up to three months of tiered cash assistance: \$375; \$275; and \$175.
- There are specific eligibility requirements TANF recipients must fulfill to remain eligible for benefits. A 'sanction' is imposed when the participant fails or refuses to comply with or verify agreed upon activities. The first sanction reduces the household grant by one person's share of the benefit. Subsequent sanctions are progressive and result in total household ineligibility for one, three, or six months.